

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1831 – SB 2047

February 6, 2022

SUMMARY OF BILL: Creates the *Fuel Gas Detector Act*. Requires the owner of any multi-family occupancy building or residential property building under a lease agreement to properly install a fuel gas detector in every room containing an appliance fueled by propane, natural gas, or a liquefied petroleum gas on or before December 31, 2022 and for any new or renovated properties to have a detector beginning July 1, 2022. Requires a person who, on or after January 1, 2023, acquires by sale or exchange of such properties to install fuel gas detectors within 30 days of acquisition or occupancy of the building.

Requires the landlord of properties to ensure that each fuel gas detector is in working condition and to immediately repair or replace any deficient detectors prior to occupancy by each new tenant. Requires the tenants of such properties to periodically test or charge batteries within the tenant's unit to ensure the fuel detector(s) are in working condition. Authorizes the State Fire Marshal's Office to assess a civil penalty on owners per building found in violation of this act.

FISCAL IMPACT:

Increase State Expenditures - \$153,300/FY22-23/

Locally Governed Institutions and University of Tennessee System

Assumptions:

- The State Fire Marshal's Office (SFMO), Fire Prevention Division is required to establish building construction standards. Such standards are required to afford a reasonable degree of safety to life and property from fire and hazards incident to the design, construction, alteration and repair of buildings or structures.
- The provisions of the legislation will not significantly affect the current regulatory procedures of the SFMO, state or local governments.
- Any increase in expenditures for the purchase of fuel gas detector(s) will be to owners of multi-family occupancy building or residential property building properties and will not significantly impact state or local government.
- This legislation defines multifamily occupancy to include a fraternity house, sorority house, or dormitory facility for an institution of higher education.
- Based on information provided by each of the locally governed institutions (LGI) and the University of Tennessee System (UT) there will be approximately 1,803 rooms combined that will need a fuel gas detector.

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- The cost for one fuel gas detector, security cover and electrical wiring is estimated to be an average of \$85.
- The one-time increase in state expenditure is estimated to be \$153,255 (1,803 rooms x \$85 average cost to install) in FY22-23. Any increase in state expenditures for purchases in subsequent years is estimated to be not significant.
- Any increase in state revenue from civil penalties is estimated to be not significant.

IMPACT TO COMMERCE:

NOT SIGNIFICANT

Assumption:

- Any increase in business expenditures associated with the installation of a fuel gas detector is assumed to be, at least partially, passed on to tenants and further offset by increases in business revenue if such purchases are made from businesses domiciled in Tennessee. The overall net impact on business revenue and expenditures is estimated to be not significant.
- Any impact on jobs in Tennessee is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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